

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 JOHNNY VUONG (State Bar No. 249570)
Senior Counsel
4 Department of Business Oversight
5 320 W. 4th Street, Suite 750
6 Los Angeles, California 90013
7 Telephone: (213) 576-7585
8 Facsimile: (213) 576-7181
Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

13	In the Matter of:)	ESCROW LICENSE NO. 963-2673
14	THE COMMISSIONER OF BUSINESS)	
15	OVERSIGHT,)	
16	Complainant,)	ACCUSATION IN SUPPORT OF ORDER
17	v.)	REVOKING UCA ESCROW INC.'S ESCROW
18	UCA ESCROW, INC.)	AGENT LICENSE
19	Respondent.)	
20)	
21)	

23 The Commissioner of Business Oversight (“Commissioner”) is informed and believes and
24 based upon such information and belief, alleges and charges as follows:

25 **I**

26 **Introduction**

27 1. UCA Escrow, Inc. (“UCA”) is an escrow agent licensed by the Commissioner
28 pursuant to the Escrow Law of the State of California (Financial Code Section 17000 et seq.), with its

1 principal place of business at 17660 San Rafael Street, Fountain Valley, CA 92708.

2 **II**

3 **Failure to File Closing Audit**

4 2. Pursuant to Financial Code section 17600, subdivision (b), a licensee that ceased to
5 engage in the business regulated by this division and desires to no longer be licensed shall notify the
6 Commissioner in writing and, at that time, tender the license and all other indicia of licensure to the
7 Commissioner. Within 105 days of the written notice to the Commissioner, the licensee shall submit
8 to the Commissioner, at its own expense, a closing audit report as of the date the license is tendered
9 to the Commissioner for surrender.

10 3. On or about December 8, 2014, Shu Luu Hoang (“Hoang”), President of UCA,
11 sent an e-mail to the Department of Business Oversight (“Department”) that she was unable to correct
12 the liquid asset and net worth deficiencies disclosed on her December 31, 2013 audit and would like
13 to submit UCA’s escrow license for surrender.

14 4. On or about April 30, 2015, the Department received a letter from UCA dated April
15 28, 2015, indicating its desire to surrender its escrow agent’s license. Enclosed with the letter were
16 UCA’s escrow license and board of directors’ resolution dated April 28, 2015, in which UCA
17 declared its desire to surrender its license.

18 5. On or about May 12, 2015, the Department sent a letter, via certified mail to UCA’s
19 address on record, which informed UCA of the license surrender requirements of Financial Code
20 section 17600. UCA was informed that a closing audit, prepared by a certified public accountant,
21 would be due within 105 days from the date the company’s written notice of tendering the license
22 received by the Department. The certified mail return receipt was signed on May 15, 2015 by the
23 addressee. As of the date of this Accusation, UCA has failed to respond to the May 15, 2015 letter or
24 submit a closing audit to the Department.

25 **III**

26 **Removal of Business Location**

27 6. Pursuant to Financial Code section 17213.1, an escrow agent’s business shall not be
28 removed from the premises or address shown on the license without the prior approval of the

1 Commissioner. Notice of any intended change shall be transmitted to the Commissioner not less than
2 30 days prior to the date of the intended change of location.

3 7. On or about August 28, 2015, the Department sent a letter to UCA via certified mail to
4 UCA's address on record. In this letter, the Department informed UCA that its closing audit was due
5 on August 17, 2015, but the Department had not yet received the closing audit. UCA was requested
6 to respond within 10 days from the August 28, 2015 letter or the escrow license of UCA would be
7 referred for revocation. The Department's letter of August 28, 2015 was not deliverable and was
8 returned to the Department on October 6, 2015. UCA failed to inform the Department of any change
9 to their address on record nor did the Department approve of their removal of business from their
10 address on record. As of the date of this Accusation, the Department has no record of a request from
11 UCA to remove their business or change their location of business other than the address on record.

12 IV

13 **Failure to File Annual Report**

14 8. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are
15 required to file an annual audit report containing audited financial statements ("Annual Report")
16 within (105) days after the close of their fiscal year. UCA's fiscal year end for 2014 was December
17 31, 2014. Accordingly, UCA was required to file its 2014 Annual Report on or before April 15, 2015.

18 9. On November 17, 2014, the Department sent a letter to UCA reminding them that
19 their December 31, 2014 Annual Report would be due by April 15, 2015. To date, UCA has not filed
20 its 2014 Annual Report and the 2014 Annual Report is now 348 days late as of the date of this
21 Accusation.

22 V

23 **Failure to Maintain Surety Bond**

24 10. Pursuant to Financial Code section 17202, a licensee shall maintain a bond satisfactory
25 to the Commissioner in the amount of \$50,000.00 if 150 percent of the previous year's average
26 annual trust fund obligations equal \$500,001.00 or more.

1 11. On or about January 30, 2015, the surety bond of UCA was cancelled three months
2 prior to UCA's submission of its written notice of intent to surrender its escrow agent's license. As
3 of the date of this Accusation, no surety bond replacement has been submitted to the Department.

4 VI

5 Applicable Law

6 12. Financial Code section 17202 provides in pertinent part:

7 [A] licensee shall maintain a bond satisfactory to the commissioner in the
8 amount of: (1) twenty-five thousand dollars (\$25,000) if 150 percent of the
9 previous year's average annual trust fund obligations, as calculated under
10 Section 17348, equals two hundred fifty thousand dollars (\$250,000) or less;
11 (2) thirty-five thousand dollars (\$35,000) if 150 percent of the previous year's
12 average annual trust fund obligations, as calculated under Section 17348,
13 equals at least two hundred fifty thousand one dollars (\$250,001) but not more
14 than five hundred thousand dollars (\$500,000); or (3) fifty thousand dollars
15 (\$50,000) if 150 percent of the previous year's average annual trust fund
16 obligations, as calculated under Section 17348, equals five hundred thousand
17 one dollars (\$500,001) or more.

18 13. Financial Code section 17213.1 provides in pertinent part:

19 (a) An escrow agent's business shall not be removed from the premises or address
20 shown on the license without the prior approval of the Commissioner, and notice of
21 any intended change shall be transmitted to the Commissioner not less than 30 days
22 prior to the date of the intended change of location...

23 14. Financial Code section 17406 provides, in pertinent part:

24 (a) Each licensee shall submit to the Commissioner, at the licensee's
25 own expense, an audit report containing audited financial statements
26 covering the calendar year or, if the licensee has an established fiscal
27 year, then for that fiscal year, within 105 days after the close of the
28 calendar or fiscal year, as applicable. At that time, each licensee shall
also file additional relevant information as the Commissioner may
require.

15. Financial Code section 17600 provides in pertinent part:

(b) A licensee that ceased to engage in the business regulated by this
division and desires to no longer be licensed shall notify the
Commissioner in writing and, at that time, tender the license and all
other indicia of licensure to the Commissioner. Within 105 days of
the written notice to the Commissioner, the licensee shall submit to the

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Commissioner, at its own expense, a closing audit report as of the date the license is tendered to the Commissioner for surrender. The closing audit shall include, but not be limited to, information required by the Commissioner, a bank reconciliation of the trust account, and a verified statement from a certified public accountant confirming lawful disbursement of funds. A license is not surrendered until the Commissioner has reviewed and accepted the closing audit report, a determination has been made by the Commissioner that acceptance of the surrender is in the public interest, and tender of the license is accepted in writing by the Commissioner.

16. Financial Code section 17602.5 provides, in pertinent part:

If any licensed escrow agent fails to make any reports required by law or by the Commissioner within 10 days from the day designated for the making of the reports, or within any extension of time granted by the Commissioner, such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

17. Financial Code section 17608 provides in pertinent part:

The Commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if she finds that:

(b) The licensee has violated any provision of this division or any rule made by the Commissioner under and within the authority of this division.

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VII

Prayer

18. The Commissioner finds that by reason of the foregoing, UCA Escrow, Inc. has violated Financial Code sections 17202, 17213.1, 17406, and 17600.

19. The Commissioner further finds that based upon UCA Escrow, Inc.’s continued failure to comply with the Escrow Law it is in the best interests of the public to revoke UCA Escrow, Inc.’s escrow agent’s license pursuant to Financial Code sections 17602.5 and 17608.

WHEREFORE, IT IS PRAYED THAT UCA Escrow, Inc.’s escrow agent license be revoked.

Dated: March 30, 2016
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
JOHNNY VUONG
Senior Counsel
Enforcement Division